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November 29, 2010

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Arizona Corporation Commission

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NOV 29 2010

Chairman Kristin K. Mayes  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

RE: Docket No. W-01303A-09-0343; **SW-01303A-09-0343**  
Proposed Anthem Water/Sewer Rate Increase

DOCKETED BY

*[Signature]*

Dear Chairman Mayes,

As President of the Anthem Community Council, I believe it is extremely important that you review RUCO's and the Anthem Community Council's Notice of Joint Filing of Supplemental Information dated November 9, 2010.

This Supplemental Information includes excerpts from a document from the State of Arizona Department of Real Estate Application for Subdivision Public Report, submitted by Del Webb Corporation indicating that the utility infrastructure costs in Anthem were included in the purchase price of the homes.

Arizona American Water has included in its rate base for this requested rate increase, and in previous requests, approximately \$50,000,000, for the purpose of repaying Pulte (formerly Del Webb) for these same infrastructure costs.

Asking the ratepayers of Anthem to pay these costs a second time is neither just nor reasonable, and all such costs paid by the developer of Anthem should be removed from the rate base. It would also appear appropriate to repeal the recently approved water and sewer rates which were based on a rate base which included the "Pulte Repayments".

To anyone who might argue that the Commission set a precedent in its previous allowance of the Pulte Repayments, it should be noted that:

1. In Commission Decision No. 70372, you stated: "Our determination in this case is not intended to have any bearing on our determination in any subsequent case filed by the Company for these districts regarding the reasonableness of the Company's agreement to refund to Pulte almost all of the costs required to construct Anthem's water infrastructure."

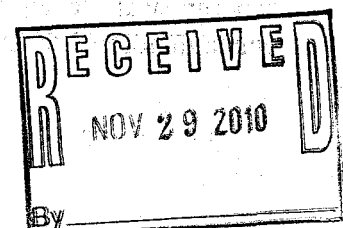
2. The legal firm which previously represented the Anthem Community Council was limited in its representation of the Council by an agreement that did not permit a conflict of interest with Pulte Homes.

The Anthem Community Council appreciates the work you do, and stands ready to assist you in any way that it can to provide just and reasonable utility rates to the homeowners of Anthem.

Sincerely,

*Jack Noblitt*

Jack Noblitt  
President, Board of Directors  
Anthem Community Council



Anthem Community Associations

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